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### MINISTRY OF FINANCE (Department of Revenue) NOTIFICATIONS

*New Delhi, the 20th February 1964*

**S.O. 659.**—In exercise of the powers conferred by section 294A of the Income-tax Act, 1961 (43 of 1961), section 25 of the Super Profits Tax Act, 1963 (14 of 1963), section 46A of the Wealth-tax Act, 1957 (27 of 1957), sub-section (2) of section 33 of the Estate Duty Act, 1953 (34 of 1953) and section 46A of the Gift-tax Act, 1958 (18 of 1958), the Central Government hereby makes the exemptions, reductions in rate and the modifications specified in this Order.

1. **Short title.**—This Order may be called the Dadra and Nagar Haveli and Goa, Daman and Diu (Taxation Concessions) Order, 1964.

2. **Definitions.**—(1) In this Order, unless the context otherwise requires—

(a) “appointed day” means—

(i) in relation to Dadra and Nagar Haveli, the 11th day of August, 1961; and

(ii) in relation to Goa, Daman and Diu, the 20th day of December, 1961;

(b) “Dadra and Nagar Haveli” means the Union territory of Dadra and Nagar Haveli;

(c) “Goa, Daman and Diu” means the Union territory of Goa, Daman and Diu;

(d) “Local law” means—

(i) in relation to Dadra and Nagar Haveli, any law relating to income-tax or super-tax other than the income-tax Act, 1961, in force in Dadra and Nagar Haveli immediately before the 1st day of April, 1963; and

(ii) in relation to Goa, Daman and Diu, any law relating to income-tax or super-tax in force in Goa, Daman and Diu immediately before the 1st day of April, 1963;

(e) “Local rate of tax” means the rate determined by dividing the amount of income-tax and super-tax payable on the total income (including agricultural income) under the Local law according to the rates of tax in force in Dadra and Nagar Haveli or Goa, Daman and Diu, as the case may be, immediately before the 1st day of April, 1963, by the amount of such total income;

(f) "Indian rate of tax" means the rate determined by dividing the amount of income-tax and super-tax payable in India on the total income in respect of the relevant previous year under the provisions of the Income-tax Act, 1961 by the amount of such total income;

(g) "Union territories" means the Union territories of Dadra and Nagar Haveli, Goa, Daman and Diu and Pondicherry.

(2) All other words and expressions used herein but not defined and defined in the Income-tax Act, 1961 (43 of 1961), the Super Profits Tax Act, 1963 (14 of 1963), the Wealth-tax Act, 1957 (27 of 1957), the Estate Duty Act, 1953 (34 of 1953), or the Gift-tax Act, 1958 (18 of 1958), shall, in relation to the provisions relating to income-tax, super profits tax, wealth-tax, estate duty and gift-tax, have the meanings assigned to them in the respective enactments:

Provided that where an assessee has once been assessed for any year under the Local law in respect of income from any particular source, the expression "previous year" in relation to that source of his income shall, for the purposes of making an assessment for any assessment year under the Income-tax Act, 1961, mean the year ended on the 31st day of December immediately preceding that assessment year, unless the assessee is permitted by the Income-tax Officer (the permission being subject to such conditions as the Income-tax Officer may think fit to impose) to have a different previous year in respect of that source of income.

**3. Scope of the main concessions in relation to income-tax.**—(1) Subject to the provisions of sub-paragraph (2)—

(i) the provisions of paragraphs 4, 5 and 6 of this Order shall apply in the case of every assessee—

(a) who resided or maintained a dwelling place in Dadra and Nagar Haveli for the period or periods amounting in all to one hundred and eighty-two days or more during the calendar year 1961, or carried on any business or profession in Dadra and Nagar Haveli before the appointed day, and is assessable as a person resident in India in the previous year but would not have been so assessable if the Income-tax Act, 1961 had not extended to Dadra and Nagar Haveli; or

(b) who is not a resident in the previous year relevant to the assessment year.

to so much of his income included in his total income as accrues or arises in the Union territories or outside India and is not deemed to accrue or arise or is not received or is not deemed to be received in any part of India other than the Union territories;

(ii) the provisions of paragraphs 3 and 6 of this Order shall apply in the case of every assessee who resided or maintained a dwelling place in Goa, Daman and Diu for a period or periods amounting in all to one hundred and eighty-two days or more during the calendar year 1961 or carried on any business or profession in Goa, Daman and Diu before the appointed day and is assessable as a person resident in India in the previous year but would not have been so assessable if the Income-tax Act, 1961 had not been extended to Goa, Daman and Diu, to so much of his income included in his total income as accrues or arises in the Union territories or outside India and is not deemed to accrue or arise or is not received or is not deemed to be received in any part of India other than the Union territories;

(iii) the provisions of paragraphs 9, 15 and 16 shall apply in the case of every assessee referred to in sub-clause (a) of clause (i) or clause (ii) to so much of his income as is specified in clause (i) or clause (ii), as the case may be.

(2) Nothing contained in this Order, except in paragraphs 7 and 8, shall apply to income chargeable under the head "Salaries" which is payable on or after the appointed day—

(i) by the Central or any State Government to a person who was an employee of that Government immediately before the appointed day; or

- (ii) by the Administration of Dadra and Nagar Haveli or Goa, Daman and Diu to a person whose services have been lent to that Administration by the Central or any State Government.

**4. Tax on income of the previous year chargeable in Dadra and Nagar Haveli in the year 1961.**—The income of the previous year ending on the 31st day of December, 1961 which is chargeable to tax in Dadra and Nagar Haveli for the year 1961, shall not be assessed under the Income-tax Act, 1961 for the assessment year commencing on the 1st day of April, 1962.

**5. Tax on income for the previous year ending on 31st December, 1962.**—(1) The income of the previous year ending on the 31st day of December, 1962, which is chargeable to tax under the Local law for the year 1962, shall be assessed under the Income-tax Act, 1961, if and only if, such income has not already been assessed under the Local Law.

(2) Where the income referred to in sub-paragraph (1) has not been assessed under the Local law, it shall be assessed under the Income-tax Act, 1961 for the assessment year commencing on the 1st day of April, 1963 and the tax payable hereon shall be determined as hereunder:—

- (a) the tax on the amount of such income included in the total income shall be computed at the Indian rate of tax;
- (b) the amount of such income shall be computed under the Local law and the tax thereon computed at the local rate of tax;
- (c) where the amount of tax computed under clause (a) is less than or is equal to the amount of tax computed under clause (b), the amount of the first-mentioned tax shall be the tax payable; and
- (d) where the amount of tax computed under clause (a) exceeds the amount of tax computed under clause (b), the excess shall be deducted from the first-mentioned tax and the balance shall be the tax payable.

**6. Tax on income assessable for the assessment year 1963-64 which does not fall under paragraph 5.**—The income of any previous year relevant to the assessment year commencing on the first day of April, 1963 which does not fall within paragraph 5 of this Order, shall be assessed under the Income-tax Act, 1961, for the aforesaid assessment year and the tax payable thereon shall be determined as hereunder:—

- (a) the tax on the amount of such income included in the total income shall be computed (i) at the Indian rate of tax, and (ii) at the Local rate of tax;
- (b) where the amount of tax computed at the Indian rate of tax is less than or is equal to the amount of tax computed at the Local rate of tax, the amount of the first-mentioned tax shall be the tax payable; and
- (c) where the amount of tax computed at the Indian rate of tax exceeds the amount of tax computed at the Local rate of tax the excess shall be deducted from the first-mentioned tax and the balance shall be the tax payable.

**7. Income chargeable under the head "Salaries" for the assessment year 1962-63 and 1963-64 in certain cases.**—In the case of any person referred to in sub-paragraph (2) of paragraph 3 of this Order, any allowance or perquisite paid or allowed as such by Government in Dadra and Nagar Haveli during the previous year relevant to the assessment year commencing on the 1st day of April, 1962 or 1963 or in Goa, Daman and Diu during the previous year relevant to the assessment year commencing on the 1st day of April, 1963, for rendering service in the respective Union territory shall not be included in the total income of the person concerned.

**8. Credit for tax paid under the Local law.**—Any tax paid by or recovered from an assessee under the Local law in respect of any income included in his total income for the previous year relevant—

- (i) to the assessment year commencing on the first day of April, 1962, 1963 or 1964, in case such tax was paid or recovered in Dadra and Nagar Haveli, and

- (ii) to the assessment year commencing on the first day of April, 1963 or 1964, in case such tax was paid or recovered in Goa, Daman and Diu, shall be treated as a payment of tax in respect of that assessment year, and credit therefor shall be given to the assessee in the regular assessment for that year.

**9. Tax on income chargeable to tax for the assessment years 1964-65, 1965-66, 1966-67, 1967-68, 1968-69 and 1969-70.**—The income of any previous year relevant to the assessment year commencing on the 1st day of April, 1964, 1965, 1966, 1967, 1968 or 1969 shall be charged to tax at the Indian rate of tax; provided that a deduction shall be allowed from the tax so computed of an amount calculated at such percentage thereof for each of the assessment years aforesaid as is specified hereunder:—

For the assessment year commencing on the

1st day of April, 1964	60%
1st day of April, 1965	45%
1st day of April, 1966	25%
1st day of April, 1967	10%
1st day of April, 1968	10%
1st day of April, 1969	10%

**10. Relaxation of conditions relating to exemption from tax of the income of charitable trusts, etc. under the Income-tax Act, 1961.**—Notwithstanding anything contained in section 11, section 12 and section 13 of the Income-tax Act, 1961, no income derived from property held under trust for charitable or religious purposes in Dadra and Nagar Haveli or Goa, Daman and Diu shall be included in the total income of an assessee in respect of the previous year relevant to the assessment year commencing on the 1st day of April, 1963 solely on the ground that such income has not been applied to such purposes in India during the previous year, provided that other requirements of the aforesaid sections are satisfied.

**11. Income of newly established industrial undertakings or Hotels.**—The provisions of section 84, section 85 and section 101 of the Income-tax Act, 1961 shall apply in relation to—

- (i) any industrial undertaking established in Dadra and Nagar Haveli or in Goa, Daman and Diu before the 1st day of April, 1962,
- (ii) any hotel that is owned and run by a company which was registered in Dadra and Nagar Haveli or in Goa, Daman and Diu before the aforesaid date,

in the same manner as they apply in relation to an industrial undertaking that began to manufacture or produce articles in any part of India other than the Union territories before that date or, as the case may be, to a hotel owned and run by a company registered in any part of India other than the Union territories.

**12. Relaxation of provisions relating to levy of additional super-tax on undistributed profits of certain companies for the assessment years 1963-64 and 1964-65.**—The provisions of Chapter XI-D of the Income-tax Act, 1961 shall not apply in the case of a company formed and registered under any law for the time being in force in Dadra and Nagar Haveli or Goa, Daman and Diu in respect of any previous year relevant to the assessment year commencing on the 1st day of April, 1963 or 1964.

**13. Relaxation of provisions relating to charging of interest under the Income-tax Act, 1961.**—No interest shall be charged under the provisions of section 139 or section 220 of the Income-tax Act, 1961 in respect of the assessment for the assessment year commencing on the 1st day of April, 1963 in the case of an assessee referred to in clause (i) or in clause (ii) of sub-paragraph (1) of paragraph 3 of this Order whose total income does not include any income as accrues or arises or is deemed to accrue or arise or is received or is deemed to be received in any part of India other than the Union territories.

**14. Profits of non-residents from shipping business.**—In computing the total income of a non-resident assessee under the Income-tax Act, 1961 in respect of any previous year which includes any period prior to the 1st day of April, 1964, any income accruing or arising to such assessee in India from the carriage by any ship owned or chartered by him of any goods shipped at a port in Goa, Daman and Diu prior to the aforesaid date shall not be included in his total income and

the provisions of section 172 of the said Act shall also not apply in respect of such income.

**15. Deduction of tax from "Salaries" during the financial years 1963-64, 1964-65, 1965-66, 1966-67, 1967-68 and 1968-69.**—In respect of income chargeable under the head "Salaries", the tax required to be deducted under section 192 of the Income-tax Act, 1961 during each of the financial years commencing on the 1st day of April, 1963, 1964, 1965, 1966, 1967 and 1968 shall be computed on the basis of the rates of tax in force for the financial year in which payment is made, provided that a deduction shall be allowed from the tax so computed of an amount calculated at such percentage thereof as is specified hereunder:—

For the financial year commencing on the

1st day of April, 1963	.....	60%
1st day of April, 1964	.....	45%
1st day of April, 1965	.....	25%
1st day of April, 1966	.....	10%
1st day of April, 1967	.....	10%
1st day of April, 1968	.....	10%

**16. Advance payment of income-tax.**—(1) The provisions of Chapter XVII-C of the Income-tax Act, 1961 shall not operate before the 1st day of April, 1965 in respect of any income specified in clause (i) or clause (ii) of sub-paragraph (1) of paragraph 3 of this Order.

(2) The expression "latest previous year in respect of which he has been assessed by way of regular assessment" in sub-clause (i) of clause (a) of section 209 of the Income-tax Act, 1961 shall be deemed to mean the latest previous year in respect of which the assessee has been assessed either under the Local law or under the Income-tax Act, 1961 or under both, as the case may be:

Provided that where the income of the latest previous year in respect of which a person has been assessed under the Local law and under the Income-tax Act, 1961 is to be taken in aggregate for the purposes of this paragraph, so much of such income as has been included in both the assessments shall be excluded from the aggregate.

*Explanation.*—In this sub-paragraph, references to Income-tax Act, 1961 in the expression "under the Income-tax Act, 1961", wherever it occurs, shall be deemed to include references to the Indian Income-tax Act, 1922 (11 of 1922).

(3) References to "regular assessment under this Act" in sub-section (1) of section 210 and sub-section (3) of section 212 of the Income-tax Act, 1961 shall be deemed to include references to assessment under the Local law.

(4) The advance tax payable by the assessee under the provisions of Chapter XVII-C of the Income-tax Act, 1961 during the financial years commencing on the 1st day of April, 1965, 1966, 1967 and 1968 in respect of any income as is referred to in clause (i) or clause (ii) of sub-paragraph (1) of paragraph 3 of this Order shall be reduced by an amount equal to twenty-five per cent, ten per cent, ten per cent and ten per cent thereof respectively and the amount so reduced shall be the amount of the advance tax payable by the assessee in respect of such income.

**17. Relaxation of provisions relating to imposition of penalties under the Income-tax Act, 1961.**—Notwithstanding anything contained in Chapter XXI of the Income-tax Act, 1961, the Income-tax Officer, the Inspecting Assistant Commissioner or the Appellate Assistant Commissioner who is authorised to impose a penalty under any provision of that Chapter, may in the case of an assessee referred to in sub-clause (a) of clause (i) or in clause (ii) of sub-paragraph (1) of paragraph 3 of this Order, impose a penalty of an amount which is less than the minimum amount specified in any such provision:

Provided that the provisions of this paragraph shall not apply in relation to an assessment for any assessment year commencing on or after the 1st day of April, 1967.

**18. Concessions in relation to Super Profits Tax.**—(1) In the case of an assessee referred to in sub-paragraph (1) of paragraph 3 of this Order—

(i) no super profits tax shall be payable under the Super Profits Tax Act, 1963 for the assessment year commencing on the 31st day of April, 1963 if the total income computed under the Income-tax Act, 1961 in

respect of the previous year relevant to that assessment year does not include any income which accrues or arises or is deemed to accrue or arise or is received or is deemed to be received in any part of India other than the Union territories;

- (ii) where the total income computed under the Income-tax Act, 1961 in respect of the previous year relevant to the assessment year commencing on the 1st day of April, 1963, includes any income which accrues or arises or is deemed to accrue or arise or is received or is deemed to be received in any part of India other than the Union territories, the super profits tax payable for the said assessment year shall be an amount bearing to the amount of the super profits tax computed under the provisions of the Third Schedule to the Super Profits Tax Act, 1963 the same proportion as the amount of aforesaid income bears to the amount of the total income.

(2) In the case of an assessee referred to in sub-clause (a) of clause (i) or clause (ii) of sub-paragraph (1) of paragraph 3 of this Order, the amount of any deduction in respect of income-tax and super-tax allowed under paragraph 9 of this Order for each of the assessment years specified in the said paragraph 9 shall be deducted from the amount of the chargeable profits computed under the First Schedule to the Super Profits Tax Act, 1963, in respect of the relevant previous year and the balance shall be deemed to be the amount of the chargeable profit for the purposes of the said Act.

(3) In making any assessment under the Super Profits Tax Act, 1963, for the assessment year commencing on the 1st day of April, 1964, 1965 or 1966, in the case of an assessee referred to in sub-clause (a) of clause (i) or clause (ii) of sub-paragraph (1) of paragraph 3 of this Order,—

- (i) where the total income computed under the Income-tax Act, 1961 in respect of the previous year relevant to any assessment year aforesaid does not include any income as is referred to in clause (i) or sub-paragraph (1) of this paragraph, a deduction shall be allowed from the amount of the super profits tax computed under the provisions of the Third Schedule to the Super Profits Tax Act, 1963 of a sum equal to seventy-five per cent., fifty per cent. and twenty-five per cent. thereof respectively for the assessment year aforesaid and the balance shall be the amount of the super profits tax payable for the relevant assessment year;
- (ii) where the total income computed under the Income-tax Act, 1961 in respect of the previous year relevant to any assessment year aforesaid includes any income as is referred to in clause (i) of sub-paragraph (1) of this paragraph, the amount of super profits tax payable for the relevant assessment year shall be an amount equal to the aggregate of—
  - (a) an amount which bears to the amount of the super profits tax computed under the Third Schedule to the Super Profits Tax Act, 1963 for that assessment year the same proportion which the aforesaid income bears to the total income in respect of the relevant previous year; and
  - (b) the balance of the amount of such super profits tax as reduced by an amount equal to seventy-five per cent., fifty per cent., and twenty-five per cent. thereof respectively for the assessment years commencing on the 1st day of April, 1964, 1965 and 1966.

**19. Concessions in relation to wealth-tax.**—In the case of a person who on the relevant valuation date but for the extension of the Wealth-tax Act, 1957 to Dadra and Nagar Haveli and Goa, Daman and Diu would not have been chargeable to wealth-tax on his net wealth or would have been chargeable to such tax in accordance with the provisions of section 6 of the Wealth-tax Act, 1957 only on his net wealth situate in any part of India other than the Union territories, the wealth-tax payable—

- (1) for the assessment year commencing on the 1st day of April, 1963 shall be an amount equal to the wealth-tax that would have been payable on the portion of the net wealth situate in any part of India other than the Union territories which would have been chargeable to such tax if the Wealth-tax Act, 1957 had not been extended to Dadra and Nagar Haveli and Goa, and Daman and Diu, determined at the average rate applicable to such portion of the net wealth; and

- (ii) for the assessment years commencing on the 1st day of April, 1964, 1965, 1966, 1967, 1968 or 1969 shall be the aggregate of the amounts of—
- (a) the wealth tax that would have been payable on the portion of the net wealth situate in any part of India other than the Union territories which would have been chargeable to such tax if the Wealth-tax Act, 1957 had not been extended to Dadra and Nagar Haveli and Goa, Daman and Diu determined at the average rate applicable to the net wealth; and
  - (b) the wealth-tax determined on the remaining portion of the net wealth at the average rate applicable to the net wealth as reduced by such percentage of the wealth-tax so determined as specified hereunder:—
- |   |     |
|---|-----|
| For the assessment year commencing on the 1st day of April, 1964 .. | 75% |
| For the assessment year commencing on the 1st day of April, 1965 .. | 50% |
| For the assessment year commencing on the 1st day of April, 1966 .. | 25% |
| For the assessment year commencing on the 1st day of April, 1967 .. | 10% |
| For the assessment year commencing on the 1st day of April, 1968 .. | 10% |
| For the assessment year commencing on the 1st day of April, 1969 .. | 10% |

*Explanation.*—For the purposes of this paragraph, “average rate” shall mean the rate arrived at by dividing the amount of the wealth-tax calculated on the net wealth or a portion of the net wealth, as the context may require, at the rate or rates specified in the Schedule to the Wealth-tax Act, 1957 by the amount of such net wealth or such portion of the net wealth, as the case may be.

**20. Concessions where estate duty chargeable only consequent upon extension of the Estate Duty Act to Dadra and Nagar Haveli and Goa, Daman and Diu.**—In the case of every person dying on or after the first day of April, 1963, the principal value of whose property passing on his death would not have been chargeable to estate duty, but for the extension of the Estate Duty Act, 1953 to Dadra and Nagar Haveli and Goa, Daman and Diu, the estate duty leviable shall be determined in accordance with the provisions of the Estate Duty Act, 1953, reduced by such percentage thereof as specified hereunder:—

In the case of any death occurring in the period commencing on the 1st day of April, 1963 and ending on the 31st day of March, 1964	30%
In the case of any death occurring in the period commencing on the 1st day of April, 1964 and ending on the 31st day of March, 1965	20%
In the case of any death occurring in the period commencing on the 1st day of April, 1965 and ending on the 31st day of March, 1966.	10%

**21. Concessions where estate duty chargeable even if Act had not been extended to Dadra and Nagar Haveli and Goa, Daman and Diu.**—Where the property passing on death includes any property on which estate duty would have been payable even if the Estate Duty Act, 1953 had not been extended to Dadra and Nagar Haveli and Goa, Daman and Diu, the duty payable shall be the aggregate of—

- (a) the duty which would have been payable on that portion of the principal value of the property which would have been chargeable to duty if the Estate Duty Act, 1953 had not been extended to Dadra and Nagar Haveli and Goa, Daman and Diu at the average rate applicable to the principal value of the entire property passing on the death; and
- (b) the difference between the duty payable on the principal value of the entire property passing on the death and the amount of duty computed in terms of clause (a), reduced by such percentage of the difference as specified hereunder:—

In the case of any death occurring in the period commencing on the 1st day of April, 1963 and ending on the 31st day of March, 1964	.. .. .	30%
In the case of any death occurring in the period commencing on the 1st day of April, 1964 and ending on the 31st day of March, 1965	.. .. .	20%
In the case of any death occurring in the period commencing on the 1st day of April, 1964 and ending on the 31st day of March, 1966	.. .. .	10%

*Explanation.*—For the purposes of this paragraph, “average rate” shall mean the rate arrived at by dividing the amount of duty calculated on the principal value of the entire property passing on the death at the rate or rates specified in the Second Schedule to the Estate Duty Act, 1953, by the principal value of such property.

**22. Concessions in relation to Gift-tax.**—In the case of a person who, but for the extension of the Gift-tax Act, 1958 to Dadra and Nagar Haveli and Goa, Daman and Diu would not have been chargeable to gift-tax, or would have been chargeable to such tax only in respect of property situate in the territory of India other than the Union territories—

- (1) no gift-tax shall be charged in respect of any gift made before the 1st day of April, 1963, for any charitable purpose within the meaning of clause (vi) of sub-section (1) of section 5 of the said Act which would not have been chargeable to tax but for the extension of the Gift-tax Act, 1958, to such Union territories;
- (2) in respect of any gift to which the provisions of clause (1) do not apply and which is otherwise chargeable to tax, the tax payable,—
  - (a) for the assessment year commencing on the 1st day of April, 1963, shall be an amount equal to the aggregate of—
    - (i) the tax that would have been payable on the portion of the taxable gifts representing property situate in that part of India other than the Union territories which would have been chargeable to tax if the Gift-tax Act, 1958, had not been extended to Dadra and Nagar Haveli and Goa, Daman and Diu, and
    - (ii) the tax that would have been payable under the Goa Succession Tax Act by all the donees to whom gifts which would have been taxable under that law had been made by the assessee in the period corresponding to the previous year for the assessment year commencing on the 1st day of April, 1963;

Provided that the aggregate tax payable under this sub-clause shall in no case exceed the tax that would have been payable under the Gift-tax Act, 1958, had this order not been in force,

Provided further that abatement shall be allowed for the amounts of tax, if any, actually paid under the Goa Succession Tax Act by all the donees referred to in this sub-clause to the extent the payments so made do not exceed the amount of the aggregate tax leviable under this sub-clause, and

- (b) for the assessment years commencing on the 1st day of April, 1964, 1965 or 1966, shall be the aggregate of the amount of—
  - (i) the tax that would have been payable on the portion of the taxable gifts representing property situate in that part of India other than the Union territories which would have been chargeable to tax if the Gift-tax Act, 1958 had not been extended to Dadra and Nagar Haveli and Goa, Daman and Diu at the average rate applicable to all the taxable gifts, and
  - (ii) the tax determined on the remaining portion of the taxable gifts at the average rate applicable to all the taxable gifts as reduced by an amount equal to thirty per cent, twenty per cent and ten per cent thereof respectively for the assessment years aforesaid;

Provided that abatement shall be allowed for the tax paid by all the donees under the Goa Succession Tax Act in respect of all the gifts made by the assessee which would have been liable to tax under that Act in the period corresponding to the previous year for the assessment year commencing on the 1st day of April, 1964, to the extent such tax does not exceed the aggregate tax payable under this sub-clause.

- (3) Where any donee referred to in sub-clause (a) of clause (2) or the proviso to sub-clause (b) of that clause has not paid the full amount of tax that he was liable to pay under the Goa Succession Tax Act and



in respect of the gift or portion of such gift made to such donee after adjustment of the entire abatement permissible in terms of the second proviso to sub-clause (a) of clause (2) or the proviso to sub-clause (b) of that clause any tax is actually paid by the assessee, the assessee shall be entitled to recover the sum so paid from the donee by whom such amount would have been payable under the Goa Succession Tax Act;

- (4) (a) the tax payable under section 18 of the Gift-tax Act, 1958, in respect of a taxable gift which would be assessable in the assessment years commencing on the 1st day of April, 1963, 1964, 1965 or 1966 shall be an amount equal to the tax that would be payable after giving effect to the provisions of this paragraph;
- (b) in the case of taxable gifts made before the 15th day of January, 1964, which are assessable either in the assessment for the year commencing on the 1st day of April, 1964 or 1st day of April, 1965, the payment required to be made under section 18 of the Gift-tax Act, 1958, in accordance with sub-clause (a) may be made within one month of such date.
- (5) Notwithstanding anything contained in Chapter IV of the Gift-tax Act, 1958, the Gift-tax Officer, the Inspecting Assistant Commissioner of Gift-tax, the Appellate Assistant Commissioner of Gift-tax, the Commissioner of Gift-tax or the Appellate Tribunal who is authorised to impose a penalty under any provision of that Chapter, may impose a penalty of an amount which is less than the minimum amount specified in any such provision provided that the provisions of this paragraph shall not apply in relation to an assessment for any assessment year commencing on or after the 1st day of April, 1967.

**Explanation.**—For the purpose of this paragraph,—

- (i) "average rate" shall mean the rate arrived at by dividing the amount of gift-tax calculated on all the taxable gifts at the rate or rates specified in the Schedule by the amount of such taxable gifts; and
- (ii) "Goa Succession Tax Act" means the law corresponding to the Gift-tax Act, 1958, which was in force in Dadra and Nagar Haveli and Goa, Daman and Diu immediately before the 1st day of April, 1963.

[No. 10/F. No. 1(49)-63/TPL.]

**S.O. 660.**—In exercise of the powers conferred by section 294A of the Income-tax Act, 1961 (43 of 1961), section 25 of the Super Profits Tax Act, 1963 (14 of 1963), section 46A of the Wealth-tax Act, 1957 (27 of 1957), sub-section (2) of section 33 of the Estate Duty Act, 1953 (34 of 1953) and section 46A of the Gift-tax Act, 1958 (18 of 1958), the Central Government hereby makes the exemptions, reductions in rate and the modifications specified in this Order.

**1. Short title.**—This Order may be called the Pondicherry (Taxation Concessions) Order, 1964.

**2. Definitions.**—(1) In this Order, unless the context otherwise requires—

- (a) "French law" means any law relating to income-tax or super-tax in force in Pondicherry immediately before the 1st day of April, 1963;
- (b) "French rate of tax" means the rate determined by dividing the amount of income-tax and super-tax payable on the total income (including agricultural income) according to the rates of tax in force in Pondicherry immediately before the 1st day of April, 1963, by the amount of such total income;
- (c) "Indian rate of tax" means the rate determined by dividing the amount of income-tax and super-tax payable on the total income in respect of the relevant previous year under the provisions of the Income-tax Act, 1961, by the amount of such total income;
- (d) "Pondicherry" means the Union territory of Pondicherry;
- (e) "Union territories" means the Union territories of Dadra and Nagar Haveli, Goa, Daman and Diu and Pondicherry;

(2) All other words and expressions used herein but not defined and defined in the Income-tax Act, 1961 (43 of 1961), the Super Profits Tax Act, 1963 (14 of 1963), the Wealth-tax Act, 1957 (27 of 1957), the Estate Duty Act, 1953 (34 of 1953), or the Gift-tax Act, 1958 (18 of 1958), shall, in relation to the provisions relating to income-tax, super profits tax, wealth-tax estate duty and gift-tax, have the meanings assigned to them in the respective enactments:

Provided that where an assessee has once been assessed for any year under the French law in respect of income from any particular source, the expression 'previous year' in relation to that source of his income shall, for the purposes of making an assessment for any assessment year under the Income-tax Act, 1961, mean the year ended on the 31st day of December, immediately preceding that assessment year, unless the assessee is permitted by the Income-tax Officer (the permission being subject to such conditions as the Income-tax Officer may think fit to impose) to have a different previous year in respect of that source of income.

**3. Scope of the main concessions in relation to Income-tax.**—(1) Subject to the provisions of sub-paragraph (2)—

(i) the provisions of paragraphs 4 and 5 of this Order shall apply in the case of every assessee—

(a) who resided or maintained a dwelling place in Pondicherry for a period or periods amounting in all to one hundred and eighty-two days or more during the calendar year 1962 or carried on any business or profession in Pondicherry at any time prior to the 16th day of August, 1962 and is assessable as a person resident in India in the previous year relevant to the assessment year but would not have been so assessable if the Income-tax Act, 1961, had not been extended to Pondicherry; or

(b) who is not resident in India in the previous year relevant to the assessment year, to so much of his income included in his total income as accrues or arises in the Union territories or outside India and is not deemed to accrue or arise or is not received or is not deemed to be received in any part of India other than the Union territories;

(ii) the provisions of paragraphs 8, 14 and 15 shall apply in the case of every assessee referred to in sub-clause (a) of clause (1) to so much of his income included in his total income as is specified in the said clause.

(2) Nothing contained in this Order, except in paragraphs 6 and 7, shall apply to income chargeable under the head "Salaries" which is payable on or after the 1st day of April, 1962—

(a) by the Central or any State Government to a person who was an employee of that Government immediately before the 1st day of April, 1962; or

(b) by the Pondicherry Administration to a person whose services have been lent to that Administration by the Central or any State Government.

**4. Tax on income for the previous year ending on 31st December, 1962.**—(1) The income of the previous year ending on the 31st December, 1962, which is the previous year for the French assessment year, 1963, shall be assessed under the Income-tax Act, 1961, if and only if such income has not already been assessed under the French law.

(2) Where the income referred to in sub-paragraph (1) has not been assessed under the French law, it shall be assessed under the Income-tax Act, 1961, for the assessment year commencing on the 1st day of April, 1963 and the tax payable thereon shall be determined as hereunder:—

(a) the tax on the amount of such income included in the total income shall be computed at the Indian rate of tax;

(b) the amount of such income shall be computed under the French law and the tax thereon computed at the French rate of tax;

- (c) where the amount of tax computed under clause (a) is less than or is equal to the amount of tax computed under clause (b), the amount of the first-mentioned tax shall be the tax payable; and
- (d) where the amount of tax computed under clause (a) exceeds the amount of tax computed under clause (b), the excess shall be deducted from the first-mentioned tax and the balance shall be the tax payable.

**5. Tax on income assessable in 1963-64 which does not fall under paragraph 4.**—The income of any previous year relevant to the assessment year commencing on the 1st day of April, 1963 which does not fall within paragraph 4 of this order shall be assessed under the Income-tax Act, 1961 for the aforesaid assessment year and the tax payable thereon shall be determined as hereunder:—

- (a) the tax on the amount of such income included in the total income shall be computed (i) at the Indian rate of tax, and (ii) at the French rate of tax;
- (b) where the amount of tax computed at the Indian rate of tax is less than or is equal to the amount of tax computed at the French rate of tax, the amount of the first-mentioned tax shall be the tax payable, and
- (c) where the amount of tax computed at the Indian rate of tax exceeds the amount of tax computed at the French rate of tax, the excess shall be deducted from the first-mentioned tax and the balance shall be the tax payable.

**6. Income chargeable under the head "Salaries" for the assessment year 1963-64 in certain cases.**—In computing the total income of the previous year relevant to the assessment year commencing on the 1st day of April, 1963 in the case of any person referred to in sub-paragraph (2) of paragraph 3 of this Order, any allowance or perquisite paid or allowed as such in Pondicherry by Government for rendering service in Pondicherry shall not be included in such total income.

**7. Credit for tax paid under the French law.**—Any tax paid by or recovered from an assessee under the French law in respect of any income included in his total income for the previous year relevant to the assessment year commencing on the 1st day of April, 1963 shall be treated as a payment of tax in respect of that assessment year, and credit therefor shall be given to the assessee in the regular assessment for that year.

**8. Tax on income chargeable to tax for the assessment years 1964-65, 1965-66, 1966-67, 1967-68, 1968-69 and 1969-70.**—The income of any previous year relevant to the assessment year commencing on the 1st day of April, 1964, 1965, 1966, 1967, 1968 or 1969 shall be charged to tax at the Indian rate of tax; provided that a deduction, shall be allowed from the tax so computed of an amount calculated at such percentage thereof for each of the assessment years aforesaid as is specified hereunder:—

For the assessment year commencing on the 1st day of April, 1964	.. .. .	60%
For the assessment year commencing on the 1st day of April, 1965	.. .. .	45%
For the assessment year commencing on the 1st day of April, 1966	.. .. .	25%
For the assessment year commencing on the 1st day of April, 1967	.. .. .	10%
For the assessment year commencing on the 1st day of April, 1968	.. .. .	10%
For the assessment year commencing on the 1st day of April, 1969	.. .. .	10%

**9. Relaxation of conditions relating to exemption from tax of the income of charitable trusts, etc. under the Income-tax Act, 1961.**—Notwithstanding anything contained in section 11, section 12 and section 13 of the Income-tax Act, 1961, no income derived from property held under trust for charitable or religious purposes in Pondicherry shall be included in the total income of an assessee in respect of the previous year relevant to the assessment year commencing on the 1st day of

April, 1963, solely on the ground that such income has not been applied to such purposes in India during the previous year, provided that other requirements of the aforesaid sections are satisfied.

10. **Income of newly established industrial undertakings or hotels.**—The provisions of section 84, section 85 and section 101 of the Income-tax Act, 1961 shall apply in relation to—

- (i) any industrial undertaking established in Pondicherry before the 1st day of April, 1962,
- (ii) any hotel that is owned and run by a company which was registered in Pondicherry before the said date,

in the same manner as they apply in relation to an industrial undertaking that began to manufacture or produce articles in any part of India other than the Union Territories before that date or, as the case may be, to a hotel owned and run by a company registered in any part of India other than the Union Territories.

11. **Relaxation of provisions relating to levy of additional super-tax on undistributed profits of certain companies for the assessment years 1963-64 and 1964-65.**—The provisions of Chapter XI-D of the Income-tax Act, 1961 shall not apply in the case of a company formed and registered under any law for the time being in force in Pondicherry in respect of any previous year relevant to the assessment year commencing on the 1st day of April, 1963 or 1964.

12. **Relaxation of provisions relating to charging of interest under the Income-tax Act, 1961.**—No interest shall be charged under the provisions of section 139 or section 220 of the Income-tax Act, 1961 in respect of the assessment for the assessment year commencing on the 1st day of April, 1963 in the case of an assessee referred to in sub-clause (a) or sub-clause (b) of clause (i) of sub-paragraph (1) of paragraph 3 of this Order whose total income does not include any income as accrues or arises or is deemed to accrue or arise or is received or is deemed to be received in any part of India other than the Union Territories.

13. **Profits of non-residents from shipping business.**—In computing the total income of a non-resident assessee under the Income-tax Act, 1961 in respect of any previous year which includes any period prior to the 1st day of April, 1964 any income accruing or arising to such assessee in India from the carriage by any ship owned or chartered by him of any goods shipped at a port in Pondicherry prior to the aforesaid date shall not be included in his total income and the provisions of section 172 of the said Act shall also not apply in respect of such income.

14. **Deduction of tax from "Salaries" during the financial years 1963-64, 1964-65, 1965-66, 1966-67, 1967-68 and 1968-69.**—In respect of income chargeable under the head "Salaries", the tax required to be deducted under section 192 of the Income-tax Act, 1961 during each of the financial years commencing on the 1st day of April, 1963, 1964, 1965, 1966, 1967 and 1968 shall be computed on the basis of the rates of tax in force for the financial year in which payment is made; provided that a deduction shall be allowed from the tax so computed of an amount calculated at such percentage thereof as is specified hereunder:—

For the financial year commencing on the 1st day of April, 1963	.. .. .	60%
For the financial year commencing on the 1st day of April, 1964	.. .. .	45%
For the financial year commencing on the 1st day of April, 1965	.. .. .	25%
For the financial year commencing on the 1st day of April, 1966	.. .. .	10%
For the financial year commencing on the 1st day of April, 1967	.. .. .	10%
For the financial year commencing on the 1st day of April, 1968	.. .. .	10%

15. **Advance payment of income-tax.**—(1) The provisions of Chapter XVII-C of the Income-tax Act, 1961 shall not operate before the 1st day of April, 1965 in respect of any income specified in clause (i) of sub-paragraph (1) of paragraph 3 of this Order.

(2) The expression "latest previous year in respect of which he has been assessed by way of regular assessment" in sub-clause (i) of clause (a) of section

209 of the Income-tax Act, 1961 shall be deemed to mean the latest previous year in respect of which the assessee has been assessed either under the French law or under the Income-tax Act, 1961 or under both, as the case may be:

Provided that where the income of the latest previous year in respect of which a person has been assessed under the French law and under the Income-tax Act, 1961 is to be taken in aggregate for the purposes of this paragraph, so much of such income as has been included in both the assessments shall be excluded from the aggregate.

*Explanation.*—In this sub-paragraph, references to Income-tax Act, 1961 in the expression “under the Income-tax Act, 1961”, wherever it occurs, shall be deemed to include references to the Indian Income-tax Act, 1922 (11 of 1922).

(3) Reference to “regular assessment under this Act” in sub-section (1) of section 210 and sub-section (3) of section 212 of the Income-tax Act, 1961 shall be deemed to include references to assessment under the French law.

(4) The advance tax payable by the assessee under the provisions of Chapter XVII-C of the Income-tax Act, 1961 during the financial years commencing on the 1st day of April, 1965, 1966, 1967 and 1968 in respect of any income as is referred to in clause (1) of sub-paragraph (1) of paragraph 3 of this Order shall be reduced by an amount equal to twenty-five per cent., ten per cent., ten per cent. and ten per cent. thereof respectively and the amount so reduced shall be the amount of the advance tax payable by the assessee in respect of such income.

**16. Relaxation of provisions relating to imposition of penalties under the Income-tax Act, 1961.**—Notwithstanding anything contained in Chapter XXI of the Income-tax Act, 1961, the Income-tax Officer, the Inspecting Assistant Commissioner or the Appellate Assistant Commissioner who is authorised to impose a penalty under any provision of that Chapter, may in the case of an assessee referred to in sub-clause (a) of clause (1) of sub-paragraph (1) of paragraph 3 of this Order, impose a penalty of an amount which is less than the minimum amount specified in any such provision:

Provided that the provisions of this paragraph shall not apply in relation to an assessment for any assessment year commencing on or after the 1st day of April, 1967.

**17. Concessions in relation to Super Profits Tax.**—(1) In the case of an assessee referred to in sub-paragraph (1) of paragraph 3 of this Order—

(i) no super profits tax shall be payable under the Super Profits Tax Act, 1963 for the assessment year commencing on the 1st day of April, 1963 if the total income computed under the Income-tax Act, 1961 in respect of the previous year relevant to that assessment year does not include any income which accrues or arises or is deemed to accrue or arise or is received or is deemed to be received in any part of India other than the Union territories;

(ii) where the total income computed under the Income-tax Act, 1961 in respect of the previous year relevant to the assessment year commencing on the 1st day of April, 1963 includes any income which accrues or arises or is deemed to accrue or arise or is received or is deemed to be received in any part of India other than the Union territories, the super profits tax payable for the said assessment year shall be an amount bearing to the amount of the super profits tax computed under the provisions of the Third Schedule to the Super Profits Tax Act, 1963 the same proportion as the amount of the aforesaid income bears to the amount of the total income.

(2) In the case of an assessee referred to in sub-clause (a) of clause (1) of sub-paragraph (1) of paragraph 3 of this Order, the amount of any deduction in respect of income-tax and super-tax allowed under paragraph 8 of this Order for each of the assessment year specified in the said paragraph 8 shall be deducted from the amount of the chargeable profits computed under the First Schedule to the Super Profits Tax Act, 1963, in respect of the relevant previous year and the balance shall be deemed to be the amount of the chargeable profits for the purposes of the said Act.

(3) In making any assessment under the Super Profits Tax Act, 1963 for the assessment year commencing on the 1st day of April, 1964, 1965 or 1966, in the

case of an assessee referred to in sub-clause (a) of clause (i) of sub-paragraph (1) of paragraph 3 of this Order,—

- (i) where the total income computed under the Income-tax Act, 1961 in respect of the previous year relevant to any assessment year aforesaid does not include any income as is referred to in clause (i) of sub-paragraph (1) of this paragraph, a deduction shall be allowed from the amount of the super profits tax computed under the provisions of the Third Schedule to the Super Profits Tax Act, 1963, of a sum equal to seventy-five per cent., fifty per cent. and twenty-five per cent. thereof respectively for the assessment years aforesaid and the balance shall be the amount of the super profits tax payable for the relevant assessment year;
- (ii) where the total income computed under the Income-tax Act, 1961 in respect of the previous year relevant to any assessment year aforesaid includes any income as is referred to in clause (i) of sub-paragraph (1) of this paragraph, the amount of super profits tax payable for the relevant assessment year shall be an amount equal to the aggregate of—
  - (a) an amount which bears to the amount of the super profits tax computed under the Third Schedule to the Super Profits Tax Act, 1963, for that assessment year the same proportion which the aforesaid income bears to the total income in respect of the relevant previous year, and
  - (b) the balance of the amount of such super profits tax as reduced by an amount equal to seventy-five per cent., fifty per cent. and twenty-five per cent. thereof respectively for the assessment year commencing on the 1st day of April, 1964, 1965 and 1966.

**18. Concessions in relation to wealth-tax.**—In the case of a person who on the relevant valuation date but for the extension of the Wealth-tax Act, 1957 to Pondicherry would not have been chargeable to wealth-tax on his net wealth or would have been chargeable to such tax in accordance with the provisions of section 6 of the Wealth-tax Act, 1957 only on his net wealth situate in any part of India other than the Union territories, the wealth-tax payable.—

- (i) for the assessment year commencing on the 1st day of April, 1963, shall be an amount equal to the wealth-tax that would have been payable on the portion of the net wealth situate in any part of India other than the Union territories which would have been chargeable to such tax if the Wealth-tax Act, 1957, had not been extended to Pondicherry, determined at the average rate applicable to such portion of the net wealth; and
- (ii) for the assessment year commencing on the 1st day of April, 1964, 1965, 1966, 1967, 1968 and 1969, shall be the aggregate of the amounts of—
  - (a) the wealth-tax that would have been payable on the portion of the net wealth situate in any part of India other than the Union territories which would have been chargeable to such tax if the Wealth-tax Act, 1957, had not been extended to Pondicherry, determined at the average rate applicable to the net wealth; and
  - (b) the wealth-tax determined on the remaining portion of the net wealth at the average rate applicable to the net wealth as reduced by such percentage of the wealth-tax so determined as specified hereunder:—

For the assessment year commencing on the 1st day of April, 1964 ..	75%
For the assessment year commencing on the 1st day of April, 1965 ..	50%
For the assessment year commencing on the 1st day of April, 1966 ..	25%
For the assessment year commencing on the 1st day of April, 1967 ..	10%
For the assessment year commencing on the 1st day of April, 1968 ..	10%
For the assessment year commencing on the 1st day of April, 1969 ..	10%

*Explanation.*—For the purposes of this paragraph, “average rate” shall mean the rate arrived at by dividing the amount of wealth-tax calculated on the net wealth or a portion of the net wealth, as the context may require, at the rate or rates specified in the Schedule to the Wealth-tax Act, 1957 by the amount of such net wealth or such portion of the net wealth, as the case may be.

**19. Concessions where estate duty chargeable only consequent upon extension of the Estate Duty Act to Pondicherry.**—In the case of every person dying on or after the first day of April, 1963 the principal value of whose property passing on his death would not have been chargeable to estate duty, but for the extension of the Estate Duty Act, 1953 to Pondicherry, the estate duty leviable shall be determined in accordance with the provisions of the Estate Duty Act, 1953, reduced by such percentage thereof as specified hereunder:—

In the case of any death occurring in the period commencing on the 1st day of April, 1963 and ending on the 31st day of March, 1964. 50%

In the case of any death occurring in the period commencing on the 1st day of April, 1964 and ending on the 31st day of March, 1965. 30%

In the case of any death occurring in the period commencing on the 1st day of April, 1965 and ending on the 31st day of March, 1966. 15%

**20. Concessions where estate duty chargeable even if Act had not been extended to Pondicherry.**—Where the property passing on death includes any property on which estate duty would have been payable even if the Estate Duty Act, 1953 had not been extended to Pondicherry, the duty payable shall be the aggregate of—

(a) the duty which would have been payable on that portion of the principal value of the property which would have been chargeable to duty if the Estate Duty Act, 1953 had not been extended to Pondicherry, at the average rate applicable to the principal value of the entire property passing on the death; and

(b) the difference between the duty payable on the principal value of the entire property passing on the death and the amount of duty computed in terms of clause (a), reduced by such percentage of the difference as specified hereunder:—

In the case of any death occurring in the period commencing on the 1st day of April, 1963 and ending on the 31st day of March, 1964. 50%

In the case of any death occurring in the period commencing on the 1st day of April, 1964 and ending on the 31st day of March, 1965. 30%

In the case of any death occurring in the period commencing on the 1st day of April, 1965 and ending on the 31st day of March, 1966. 15%

*Explanation.*—For the purposes of this paragraph, “average rate” shall mean the rate arrived at by dividing the amount of duty calculated on the principal value of the entire property passing on the death at the rate or rates specified in the Second Schedule to the Estate Duty Act, 1953 by the principal value of such property.

**21. Concessions in relation to Gift-tax.**—In the case of a person who, but for the extension of the Gift-tax Act, 1958 to Pondicherry, would not have been chargeable to gift-tax, or would have been chargeable to such tax only in respect of the property situate in the territory of India other than the Union territories—

(1) No gift-tax shall be charged in respect of—

(a) any gift made before the 16th day of August 1962, or

(b) any gift made before the 1st day of April 1963 for any charitable purpose within the meaning of clause (vi) of sub-section (1) of section 5 of the said Act,

which would not have been chargeable to tax but for the extension of the Gift-tax Act, 1958 to such Union territories;

(2) in respect of any gift to which the provisions of sub-clause (a) or sub-clause (b) of clause (1) do not apply and which is otherwise chargeable to tax, the tax payable,—

(a) for the assessment year commencing on the 1st day of April, 1963 shall be an amount equal to the tax that would have been payable on the portion of the taxable gifts representing property situate in that part of India other than the Union territories which would have been chargeable to tax if the Gift-tax Act, 1958 had not been extended to Pondicherry; and

- (b) for the assessment years commencing on the 1st day of April, 1964, 1965 or 1966 shall be the aggregate of the amounts of—
- (i) the tax that would have been payable on the portion of the taxable gifts representing property situate in that part of India other than the Union territories which would have been chargeable to tax if the Gift-tax Act, 1958 had not been extended to Pondicherry calculated at the average rate applicable to all the taxable gifts; and
  - (ii) the tax determined on the remaining portion of all the taxable gifts at the average rate applicable to all the taxable gifts as reduced by an amount equal to seventy-five per cent., fifty per cent. and twenty-five per cent. thereof respectively for the assessment years aforesaid;
- (3) (a) the tax payable under section 18 of the Gift-tax Act, 1958 in respect of a taxable gift which would be assessable in the assessment years commencing on the 1st day of April, 1963, 1964, 1965 or 1966 shall be an amount equal to the tax that would be payable after giving effect to the provisions of this paragraph;
- (b) in the case of taxable gifts made before the 15th day of January, 1964 which are assessable either in the assessment year commencing on the 1st day of April, 1964 or the 1st day of April 1965, the payment required to be made under section 18 of the Gift-tax Act, 1958 in accordance with sub-clause (a) may be made within one month of such date;
- (4) notwithstanding anything contained in Chapter IV of the Gift-tax Act, 1958 the Gift-tax Officer, the Inspecting Assistant Commissioner of Gift-tax, the Appellate Assistant Commissioner of Gift-tax, the Commissioner of Gift-tax or the Appellate Tribunal who is authorised to impose a penalty under any provision of that Chapter may impose a penalty of an amount which is less than the minimum amount specified in any such provision: Provided that the provisions of this clause shall not apply in relation to an assessment for any assessment year commencing on or after the 1st day of April, 1967.

*Explanation.*—For the purposes of this paragraph, “average rate” shall mean the rate arrived at by dividing the amount of gift-tax calculated on all the taxable gifts at the rate or rates specified in the Schedule to the Gift-tax Act, 1958 by the amount of such taxable gifts.

[No. 11/F. No. 1(49)-63/TPL.]

V. T. DEHEJIA, Secy..